

## Message Text

LIMITED OFFICIAL USE

PAGE 01 PANAMA 03231 022213Z

15

ACTION ARA-10

INFO OCT-01 ISO-00 SAB-01 CIAE-00 DODE-00 INR-07 NSAE-00

PA-01 USIA-06 PRS-01 SP-02 L-03 EB-07 COME-00 TRSE-00

OMB-01 /040 W

----- 021559

R 022148Z JUN 75

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 4072

LIMITED OFFICIAL USE PANAMA 3231

E.O. 11652: N/A

TAGS: PINT, PN

SUBJECT: GOP EXPOSES CORRUPTION IN INTEL

SUMMARY: THE GOP HAS EXPOSED--AND IS PROCEEDING TO PROSECUTE--A REAL ESTATE KICK-BACK SCANDAL INVOLVING THE DIRECTOR GENERAL OF THE GOVERNMENT'S TELECOMMUNICATIONS ENTITY (INTEL), HIS DIRECTOR OF FINANCE, AND A LOCAL REAL ESTATE EXECUTIVE. IN A STRONG EDITORIAL REACTION, GOVERNMENT PAPERS HAVE CONDEMNED CORRUPTION BY PUBLIC SERVANTS, WARNED THAT IT WILL NOT BE TOLERATED, AND APPLAUDED GOP FOR TAKING FIRM ACTION. THE GOP'S DECISION TO MAKE AN EXAMPLE OF THE INTEL AFFAIR REFLECTS RECOGNITION THAT CORRUPTION IS POLITICAL LIABILITY WITH WHICH IT MUST DEAL. END SUMMARY.

1. ON MAY 30, THE GOVERNMENT-CONTROLLED PRESS (MATUTINO, CRITICA AND EL PANAMA AMERICA) GAVE FEATURE COVERAGE TO ARREST OF LT. COLONEL LUIS SEGURA (RETIRED), DIRECTOR GENERAL OF INTEL, HIF FINANCE DIRECTOR, NORMAN KWAI BEN, AND REAL ESTATE EXECUTIVE LENIN SUCRE (RAPIVENTA) FOR INVOLVEMENT IN A KICK-BACK DEAL CONCERNING THE PURCHASE FO LAND FOR INTEL FACILITIES. THE ARRESTS WERE ORDERED BY ATTORNEY GENERAL OLMEDO MIRANDA, WHO HAD PERSONALLY TAKEN CHARGE OF THE INVESTIGATION.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 PANAMA 03231 022213Z

2. ACCORDING TO THE PRESS, THE SCANDAL APPEARS TO HAVE BEEN A CLASSIC KICK-BACK ARRANGEMENT. INTEL DIRECTOR GENERAL SEGURA REPORTEDLY WAS OFFERED-- AND ACCEPTED--A "COMMISSION" OF \$26,000 FOR APPROVING PURCHASE OF LAND FROM SUCRE'S REAL ESTATE FIRM. WHILE ALL THE DETAILS ARE NOT YET CLEAR, SUCRE HAS ADMITTED MAKING PAYMENTS TO SEGURA AND THE LATTER ACCEPTING THEM. IN TESTIMONY PUBLISHED JUNE 1 IN EL PANAMA AMERICA'S DOMINICAL, SEGURA "REPENTED" FOR HIS WEAKNESS IN SUCCUMBING TO SUCRE'S OVERTURES AND FOR CAUSING DAMAGE THEREBY TO THE REVOLUTION. FOR HIS PART SUCRE, WHILE NOT DENYING PAY-OFF, SPOKE OF INTERMEDIARIES AND IMPLIED--BUT DID NOT CHARGE IN TESTIMONY PUBLISHED-- THAT KICK-BACK HAD NOT BEEN HIS INITIATIVE.

3. EDITORIAL REACTION TO EXPOSURE OF SCANDAL HAS BEEN TO LAUD ACTION OF ATTORNEY GENERAL AND TO POINT TO GOP'S DETERMINATION TO DEAL FORCEFULLY WITH CORRUPTION IN GOVERNMENT. MATUTINO, IN ITS FEATURE EDITORIAL MAY 31, CITED GOP'S ACTION AS AN EXAMPLE AND WARNING TO THOSE WHO PLACE PERSONAL GAIN ABOVE NATIONAL INTERESTS. CRITICA, IN ITS EDITORIAL SAME DAY, SIMILARLY DENOUNCED CORRUPTION BY GOVERNMENT OFFICIALS AND STRESSED NEED FOR GOP TO CONSOLIDATE PUBLIC CONFIDENCE IN THE REVOLUTIONARY BUREAUCRACY. FOR ITS PART, MATUTINO'S TEMAS DE ACTUALIDAD COLUMN LIKENED ADMINISTRATIVE CORRUPTION TO CONSPIRACY, AND WARNED THAT CORRUPTION WITHIN THE SYSTEM WILL BE DEALT WITH UNDER THE LAW AS WILL BE SUBVERSION FROM WITHOUT.

4. COMMENT: NOTWITHSTANDING THE EMBARRASSMENT OF

ACKNOWLEDGING CORRUPTION WITHIN THE GOVERNMENT, THE GOP HAS CLEARLY DETERMINED TO MAKE AN EXAMPLE OF THE INTEL SCANDAL. THERE IS LITTLE DOUBT THAT HAD IT WISHED TO DO SO, THE GOVERNMENT COULD HAVE SUPPRESSED THE AFFAIR AND/OR WHITEWASHED SEGURA'S ROLE. THAT IT DID NOT, EVEN WHEN THE PRINCIPAL PROTAGONIST IS A RETIRED SENIOR GN OFFICER, IS SIGNIFICANT. IT IS IMPLICIT RECOGNITION THAT OLD-STYLE GRAFT AND CORRUPTION LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 PANAMA 03231 022213Z

EXISTS UNDER THE REVOLUTION AND THAT IT HAS BECOME A POLITICAL LIABILITY WHICH COULD NO LONGER BE IGNORED. WHILE IT REMAINS TO BE SEEN WHETHER THE INTEL EXPOSE WILL BE FOLLOWED BY OTHERS, THE GOP'S ACTION IS AN UNMISTAKE- ABLE WARNING THAT IT WILL NOT ALLOW PERSONAL GAIN BY ITS MEMBERS TO JEOPARDIZE ITS REVOLUTIONARY CREDIBILITY. JORDEN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CORRUPTION, PRESS COMMENTS, POLITICAL LEADERS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 02 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975PANAMA03231  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750192-0965  
**From:** PANAMA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750689/aaaaddwo.tel  
**Line Count:** 114  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 SEP 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 SEP 2003 by SmithRJ>; APPROVED <30 OCT 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOP EXPOSES CORRUPTION IN INTEL SUMMARY: THE GOP HAS EXPOSED--AND IS PROCEEDING TO  
**TAGS:** PINT, PN  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006